

Notice of Meeting and Agenda Renfrewshire Health and Social Care Integration Joint Board

Date	Time	Venue
Friday, 10 March 2017	09:30	Abercorn Conference Centre, Renfrew Road, Paisley, PA3 4DR

KENNETH GRAHAM
Clerk

To Follow Item

I refer to the agenda for the meeting of the Renfrewshire Health and Social Care Integration Joint Board to be held on 10 March 2017 and enclose the undernoted report relative to item 4 previously marked 'to follow':

Item 4 - 2017/18 Health & Social Care Budget Update

Report by the Chief Finance Officer.

Items of business

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To: Renfrewshire Integration Joint Board

On: 10 March 2017

Report by: Chief Finance Officer

Heading: 2017/18 Health and Social Care Budget Update

1. Purpose

- 1.1 The purpose of this report is to provide an update to the Integration Joint Board (IJB) on the budget setting process for partner contributions to Renfrewshire's Health and Social Care Partnership for financial year 2017/18.
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2. Recommendation

- 2.1 It is recommended that the IJB:

- Agree to accept the delegated Adult Social Care Budget for 2017/18;
 - Agree to provide formal assurance to Renfrewshire Council that resources being transferred for delegated adult social care functions will not be utilised to offset any resource shortfall or unacceptable risk position for the provision of delegated health services due to the current position whereby a balanced budget has not been achieved for the delegated health budget for 2016/17 and 2017/18;
 - Agree to the Chief Finance Officer's recommendation not to accept the 2017/18 delegated Health Budget on the basis of:
 - the level of budget does not match the cost of delegated services;
 - the level of budget to be allocated falls below the 2016/17 cash level; and
 - the historic Community Health Partnership (CHP) undelivered savings, and NHS pension costs should not be allocated as a charge to the IJB as these predate the establishment of the IJB and did not feature in the due diligence work undertaken by the Chief Finance Officer during 2015/16 or the September 2015 due diligence report by PWC on behalf of NHSGGC; and
 - Agree that the Chair of the IJB should write to NHSGGC to formally reject their offer on the basis of the Chief Finance Officer's recommendations detailed above, and
 - Agree that savings proposals in respect of the 2017/18 delegated Health budget inflation and cost pressures in respect of the minimum level of savings (£3.7m) which the IJB needs to consider, be brought to the June 2017 IJB for approval (this includes proposals for the outstanding balance of £1.378m in respect of the 2016/17 savings target); and
 - The delays in the implementation of the savings target will require the Chief Officer to effect the necessary management action to implement a financial recovery plan from 1 April 2017 in order to manage the shortfall in funding in 2017/18. An update for members on the actions taken, the level of non-recurring savings achieved and the impact on services will be included in the June 2017 finance update. Along with any further plans for the remainder of the year to ensure financial balance by 31 March 2018
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3. Background

3.1. This report sets out the implications of the Scottish Government draft budget announcement of 15 December 2016, the key messages (for IJB's) of which were:

- A further £107m Social Care Funding (this is in addition to the £250m allocated as part of the 2016/17 budget process, which is now included in the 2016/17 Adult Social Care base budget);
- Local Authorities are able to adjust their allocations to IJB's by up to £80m;
- Health Board allocations to IJB's must be maintained at 2016/17 cash levels including the set aside budget for large hospital services; and
- A list of 9 priorities for IJB's were also set out by the Scottish Government in a letter to Chief Officers on 15 December 2016 (Appendix 3).

3.2 As in 2016/17, the Scottish Government draft budget provided grant figures for one year only, covering 2017/18, and is expected to be formally considered for approval by the Scottish Parliament in early spring 2017.

3.3 Although no figures are available beyond 2017/18, it is anticipated that the public sector in Scotland will continue to face a challenging medium term financial outlook. There is significant uncertainty over what the scale of this likely reduction will be. In addition, there remains wider risks which could further impact on the level of resources made available to the Scottish Government including, the changing political and economic environment, within Scotland, the UK, and wider.

3.4 The implications of the above and the associated impact on the Renfrewshire IJB delegated budgets are outlined in the following sections of this report.

4. Delegated Adult Social Care Budget 2017/18

4.1. As stated in paragraph 3.1, the Scottish Government budget for 2017/18 includes a £107m increase to the Social Care Fund, bringing the total Social Care fund to £357m (Renfrewshire's total share = £12.499m).

4.2 The details of the Scottish Government's budget announcement were also clarified in a letter to Chief Officers and Chief Finance Officers, from the Director for Health & Social Care Integration and Director of Health Finance on 18 January 2017 (Appendix 1). This letter confirmed that £100m of the £107m is to be funded from NHS Boards baseline allocation with the remaining £7m to be allocated separately.

4.2 The additional £107m is intended to support sustaining the living wage for adult social care staff, sleepovers and sustainability, the removal of war pensions from income assessments for social care charging and pre-implementation work for the new carers' legislation. A breakdown of the allocation and Renfrewshire's share is detailed in the table below:

Description of Funding	National Allocation £m	Renfrewshire's Share £m (1)
Full Year Effect of Living Wage to £8.25	50	1.740
Increase in Living Wage from £8.25 to £8.45	20	0.696

Sleepovers (2)	10	0.348
Sustainability	20	0.696
Implementation of Carers Legislation	2	0.069
Veterans Pension Disregard	5	0.174
TOTAL	£107m	£3.723m

Notes:

- 1) per Appendix 1 Renfrewshire's share is based on a combination of NRAC/GAE = 3.48% of the total allocation
- 2) to be reviewed by Scottish Government in-year to assess whether this is enough to fund the increased costs associated with the Living Wage.

4.3 In line with Scottish Government directions (Appendix 2) Local Authorities can reduce their Adult Social Care contribution, using the same allocation methodology of the Social Care Fund, by up to their share of the £80m (paragraph 3.1). For Renfrewshire this equates to £2.78m.

4.4 The table below shows what this means for Renfrewshire:

	Renfrewshire Allocation £m
Renfrewshire Share of £107m (3.48%)	3.723
<u>Less:</u> Impact of adjustment to allocation of up to £80m (3.48%)	2.780
Minimum amount which Renfrewshire can allocate to the IJB for Adult Social Care	0.943

4.5 As previously reported to members, demographic and socio-economic factors continue to play a major role in driving spending pressures within the Adult Social Care budget, including:

- **Homecare:** costs associated with shifting the balance of care by supporting people to live safely at home for as long as possible, and facilitating prompt discharge from hospital;
- **Adult Placement Budget:** increasing numbers and complexity of care packages required to support clients to live as independently as possible in the community.

4.6 Over the past years, Adult Social Care has successfully managed to take forward a wide range of mitigation programmes designed to dampen the impact of demand led growth including investing in preventative measures and redesigning services to reduce longer term demand including:

- An increase in Adult service Co-ordinator posts in the Homecare reablement service, where clients receive an intensive short term service when they leave hospital, which reduces demand for more expensive residential care;
- Creating additional capacity for spend on Occupational Therapy (OT) equipment through our partnership with EquipU, resulting in improved recycling, a robust tendering process and cost effective contracts for stairlifts and track hoists;
- A dedicated Community Meals service which reduces and maintains manageable levels of demand on the Care at Home services by supporting a fast-reacting and flexible range of services that deliver excellent performance in reducing and maintaining low levels of delayed discharge from hospital, and, in contributing to health and care in the community
- Redesign of duty systems has resulted in increased OT assessments for low level interventions decreasing waiting times for more complex cases;

- Launch of WiRe (Well in Renfrewshire) website which helps people to find social and recreational activities through local clubs and groups, services and organisations and prevents early admission to statutory services e.g. day care;
- In 2010 Renfrewshire adopted the National Eligibility Criteria for Community Care, which looks at the degree of urgency and risk in each case and allows the deployment of resources in a way that targets those with greatest need, whilst also recognising that low levels of intervention can reduce risk and prevent an escalation of need (an early intervention approach). Cases are categorised under four eligibility categories - Critical, Substantial, Moderate and Low. Currently, those deemed Critical or Substantial take priority for resource allocation; and
- Implementation of telecare services which support people to remain in their own home independently with the security of technology which can link them quickly to health and social care staff should they require.

4.7 However, despite these programmes, the scale of demand led cost pressures continues to grow. In addition to these, during 2017/18 Adult Social Care will also have to manage potentially significant cost pressures in relation to a number of contractual arrangements which cease during 2017/18 and which will require to go out to tender. It is therefore likely that the financial impact of the increase in the living wage along with other legislative changes eg sleepover arrangements will have a significant impact on these negotiations. In addition, the National Care home rates for 2017/18 have yet to be agreed and it is likely that these will increase substantially from 1 April 2017.

4.8 Working with Renfrewshire Council's Director of Finance, the Chief Finance Officer, using a broad range of assumptions, has estimated that the demand and cost growth for Adult Social Care in 2017/18 is likely to be in the region of a net increase of £4.406m. Renfrewshire Council has recognised these pressures, and following the Director of Finance's recommendation, at its meeting of 16 February 2017, agreed to make provision in 2017/18 for £4.406m of additional resources to be made available for drawdown by the Health and Social Care Partnership in 2017/18 to manage these pressures. This provision therefore means that Renfrewshire Council will have allocated 100% of the 2017/18 Social Care Fund monies plus an additional £683k from the Council's direct settlement.

The table below summarises the impact this would have on the 2016/17 base budget carried forward into 2017/18.

Adult Social Care Budget	£m
Base Budget 2016/17	60,875
Impact of increase in LW and sleepovers	1,989
Inflationary pressures on externally commissioned services	1,170
Impact of demographic and socio-economic pressures	1,247
Opening Budget 2017/18	65,281

note: the above is subject to final adjustments including:

- increases in relation to the 17/18 pay award (still to be agreed with unions);
- increases in relation to the impact of auto enrolment; and
- minor budget adjustments to correct coding of staff etc.

4.10 The amount of drawdown will be agreed between the Council's Director of Finance and the Chief Finance Officer on the basis of the actual impact of the cost pressures over the course of the financial year. Updates on the level of

resource required to be drawn down will be reported to members in the finance budget monitoring papers throughout 2017/18.

- 4.11 Given that the Council have recognised, in their budget allocation for 2017/18 to the IJB, the significant pressures which the Adult Social Care budget faces in 2017/18, it is recommended that the IJB provide formal assurance to Renfrewshire Council that resources being transferred for delegated adult social care functions will not be utilised to offset any resource shortfall or unacceptable risk position for the provision of delegated health services due to the current position whereby a balanced budget has not been achieved for the delegated health budget been achieved for the delegated health budget for 2016/17 and 2017/18. This assurance will not preclude the IJB making any future service or resource changes where such decisions are in line with the direction of travel as set out in the IJB's Strategic Plan.
- 4.12 As reported by the Chief Finance Officer throughout 2016/17, members will be aware that balances in respect of the 2016/17 Social Care Integration Fund have been held throughout 2016/17 in order to be carried forward into 2017/18 to dampen down the impact of the likely pressures which will emerge throughout 2017/18. These balances will be used in the first instance prior to any draw down of the 2017/18 additional monies allocated by the Council. The Chief Finance Officer will carry forward these balances using the Reserves mechanism available to the IJB.
- 4.13 Members should note that there is a risk that as these pressures continue to grow in their impact, the ability of the Council to assist with additional resources in future years may not be possible.

5. Delegated Health Budget 2017/18

- 5.1 On 18 January 2017, the Director of Health and Social Care Integration, and Director of Health Finance, Scottish Government, wrote to NHS Chief Executives (Appendix 1), setting out the draft budget and providing direction to NHS Boards, which included the following:
- NHS Boards contributions to IJBs “must be at least equal to the recurrent budgeted allocations in 2016/17. The allocation should include the total of the sum set aside for hospital services”;
 - £107m of additional funding to be delegated to IJBs to for supporting social care including the Living Wage; and
 - £53.8m to NHS Boards to delegate to Alcohol and Drug Partnerships (ADPs).
- 5.2 NHSGGC are unlikely to approve their 2017/18 budget before June 2017. However, in line with the direction issued by the Scottish Government (para 3.1) Health Board allocations to IJB's must be maintained at 2016/17 cash levels (this also applies to set aside budgets for large hospital services). For Renfrewshire the assumed 2017/18 base budget (using the recurring budget as at 31 December 2016) is £152.976m and for set aside £32.3m.
- 5.3 In response to the directions from the Scottish Government, the NHSGGC Chief Executive wrote to all HSCP Chief Officers on 11 January 2017 (Appendix 4) setting out initial assumptions for the NHS budget allocation to IJB's within NHSGG&C. This did not include an indication of the level of set aside budget for 2017/18. Based on these outline assumptions, Renfrewshire IJB would have had a budget shortfall of circa £4.7m in 2017/18 as detailed in Appendix 7.

- 5.4 On the advice of the Chief Finance Officer, the Chief Officer responded to the Chief Executive of NHSGGC on 1 February 2017 (Appendix 5) to clarify and challenge a number of the assumptions included in his letter of 11 January 2017 namely: historic Community Health Partnership (CHP) undelivered savings and NHS pension costs which predate the establishment of the IJB. The inclusion of these adjustments means that Renfrewshire IJB's 2017/18 delegated Health budget would fall below the 2016/17 cash levels and would therefore not be in line with the Scottish Government's directions for the 2017/18 budget.
- 5.5 Following an NHSGGC private Board meeting on 21 February 2017, NHS Board members gave approval that a revised share of the historic Community Health Partnership (CHP) undelivered savings should be allocated to the HSCP's. However, this still means that our allocation will be below our 2016/17 budget level. The Chief Officer received formal notification of this revised offer from the Chief Executive of NHSGGC on 23 February 2017 (Appendix 6). The table below shows the overall impact of this revised allocation for all partnerships including Renfrewshire:

NHSGCC Estimated Inflation and Pressures on Partnerships		
Type of Pressure	Total HSCP's £m	Renfrewshire HSCP £m
Salaries	4.3	0.5
External contracts / General Supplies	0.9	0.09
Prescribing Inflation (net increase in addition to share of a clinically informed cost containment programme NHSGGC wide c. £17m)	8.5	1.2
Resource Transfer	1.8	0.3
Apprenticeship Levy	1.8	0.2
Pensions Costs (strain on fund prior to IJB's)	1.3	0.2
Unachieved savings revised allocation based on £3.5m (prior to IJB's)	3.5	0.5
TOTAL	22.1	2.99
Unachieved savings (relating to 2016/17 budget allocation)	9.8	1.4
Pensions Costs (strain on fund prior to IJB's)	31.9	4.39

- 5.6 As Renfrewshire HSCP's allocation for 2017/18 has been made on this basis, the Chief Finance Officer's recommendation to the IJB is not to accept the 2017/18 delegated Health Budget on the basis that:
- the level of budget does not match the cost of delegated services;
 - the level of budget to be allocated falls below the 2016/17 cash level (by £691k) and does not meet the Scottish Government directions to Health Boards in terms of their budget allocations to HSCP's for 2017/18 as detailed in the table below;

Health Allocation 2017/18 comparison with SG 2017/18 Budget Direction

	Estimated Position based on NHSGGC letter of 23 February 2017
2017/18 Opening Budget (recurring monies only at month 9)	£152,976,499
less:	
Pensions Costs (strain on fund prior to IJB's)	-£181,200
Unachieved savings revised allocation based on £3.5m (prior to IJB's)	-£509,652
= Overall reduction in 2016/17 budget prior to inflation and other pressures	-£690,852
Revised 2017/18 Opening Budget (recurring)	£152,285,647

- the historic Community Health Partnership (CHP) undelivered savings and NHS pension costs predate the establishment of the IJB, and did not feature in the due diligence work undertaken by the Chief Finance Officer during 2015/16. In addition, this did not feature in the September 2015 due diligence report by Auditors, PWC, on behalf of NHSGGC.

5.7 In addition to the above, there are significant pressures in respect of the prescribing budget. As members will be aware, at present there is a risk sharing agreement in place with NHSGGC and the 6 HSCPs. It is possible that this may change from its current form from April 2017. Further discussions on how this budget will be managed in 2017/18 and beyond, are scheduled for mid March 2017. However, the likely outcome of these discussions is that the risks relating to the prescribing budget financial position will transfer to HSCPs and any over/underspends will be for the HSCPs to fully manage within existing resources. The impact of this would be significant and will require a prescribing reserve to be established within Renfrewshire HSCP to draw down when and if required.

5.8 On the basis that the issues relating to the historic Community Health Partnership undelivered savings and NHS pension costs which predate the establishment of the IJB have not been resolved it is therefore the Chief Finance Officers view that the minimum level of savings required to deliver a balanced budget for health delegated services in 2017/18 is £3.7m. The basis of this calculation is detailed in the table below.

Health Allocation 2017/18 Minimum Savings Required

	figs on which assumptions are based	Estimated level of inflation / charge	SL Revised Figures per updated drugs inflation
	£'s	£'s	£'s
2017/18 Opening Budget (recurring monies only)	152,976,499		152,976,499
Add: Current Identified Pressures (estimated)			
2017/18 Pay Award	43,276,338	1.21%	523,644
Inflationary impact on supplies etc	9,230,991	1%	92,310
Purchase of Healthcare	79,423	1%	794
Resource Transfer	16,872,248	1.7%	286,828
Apprenticeship Levy (applied to gross salaries once uplifted for inflation)	43,799,982	0.5%	219,000
Prescribing Inflation (original increase was 2.6% now revised to 3.4%)	35,259,792	3.4%	1,198,833
Unachieved savings (relating to 2016/17 budget allocation)			1,378,000
Total Pressures = Savings required to deliver a balanced budget in 2017/18			3,699,409

(* this is the net increase in addition to our share of a clinically informed cost containment programme NHSGGC wide which is c. £17m)

- 5.9 Members are reminded that the estimated 2017/18 health budget allocation includes an adjustment in respect of the outstanding savings target of £1.378m. This relates to the 2016/17 Health budget allocation which the IJB agreed to address as part of its 2017/18 budget setting process.
- 5.10 Due to the timescales involved to identify and implement the required savings to deliver a balanced budget, these will not be agreed by the IJB by 1 April 2017. The Chief Officer, working with the Chief Finance Officer and the Senior Management Team, will therefore require to effect the necessary management action to implement a financial recovery plan with immediate effect to manage the budget shortfall. These programme actions will include:
- The Chief Officer will require all discretionary spend decisions to be agreed by him in partnership with the relevant Head of Service;
 - Suspension of development initiatives and programmes. These are still to be identified, but, will include projects which would have been funded from the Integrated Care Fund (ICF) and delayed discharge (DD) allocations;
 - Holding, on a temporary basis, any 'non front line' health service vacancies. In doing so, only appointing to those posts which the Chief Officer considers to be a service priority. These decisions will be taken on an individual and fully risk assessed basis; and
 - Review of all non-recurring monies and other budgets to determine where these can be used in-year to fund the budget shortfall.
- 5.11 Given the significant budget gap to be met for 2017/18, in addition to the immediate financial recovery programme, the Chief Officer is also leading a programme of recurring cost containment and redesign work to deliver the required level of efficiencies for 2017/18. Building on a long standing approach to deliver savings and efficiencies for local health services, it will include a

review of all major services, workforce planning changes and budget efficiencies. Having undertaken such work over the last 6 to 7 years, it is important to note that there is believed to be limited scope for further recurring savings to be identified and delivered without significant impact on service capacity, performance and delivery.

5.12 An update for members on the actions taken, the level of non-recurring savings achieved and the impact on services will be included in the June 2017 finance update. Along with any further plans for the remainder of the year to ensure financial balance by 31 March 2018.

5.13 As previously discussed with members, the delegated health budget includes a number of budget areas which cannot be considered for planned savings (Appendix 8):

- Family Health Service budgets directly fund income to contractor services such as GPs;
- Prescribing budget has a clear clinically led approach to cost containment and volume control as part of an NHSGGC system wide approach and one that is built up from the prescribing behaviours of individual GPs; and
- Resource Transfer from the NHS is used to directly fund social care services provided directly through the Council or commissioned from third party organisations.

This therefore leaves a balance of circa £48m of spend against which the savings targets need to be delivered, the majority of which is employee related budgets.

6. **Scottish Government Priorities for IJB's 2017/18**

6.1 On the 15 December 2016, the Scottish Government and COSLA wrote to all Chief Officers to clarify the impact on IJB's of the Scottish Government budget announcement of 15 December 2016. This letter (Appendix 3) also set out their expectations in terms of IJB's priorities for 2017/18 which are summarised below along with Renfrewshire's progress to date on these:

Priority	Progress within Renfrewshire
1. Reduction in occupied hospital bed days associated with avoidable admissions and delayed discharges, focus on investing in alternatives which will help people to live in their own homes and communities for as long as possible.	The IJB will be aware that Renfrewshire has one of the best delayed discharge levels in Scotland. Renfrewshire's direction of travel in relation to this, and the key role Acute also play in shifting the balance of care, is covered within a separate paper to this meeting 'Commissioning Unscheduled Care 2017/18'
2. Increase provision of palliative and end of life care, particularly in people's own homes.	Deaths in hospital for Renfrewshire residents have reduced significantly in the last five years. For those over the age of 65, deaths in hospital have reduced from 51.9% to 42.9%. This is due to the work with Primary Care teams, Hospices and Acute Services to support people to remain at home for end of life care.
3. Enhancement of primary care provision with a focus on developing multi-disciplinary teams and GP clusters.	Renfrewshire are currently implementing an effective and dynamic approach to 'locality' and 'cluster' based working and to build collaboration and joint working between services - bringing together GP's, Social Work, District Nurses, Rehabilitation Service, Mental Health and other staff to better support the needs of local patients and service users. Central to this approach is involving and engaging our

	General Practitioners to ensure they are meaningfully part of our wider team in line with Scottish Government Locality guidance.
4. Development of new models of care and support for mental health in primary care settings.	<p>Within GGC there is a Board wide approach to increasing access to psychological therapies and improving access and uptake of self-referral processes within Primary Care Community Mental Health Teams (PCMHT).</p> <p>In Renfrewshire PCMHT staff deliver individual therapy to clients where possible, within their own GP practice and we are now considering a test of change in relation to the provision of group therapies within our PCMHT structure to provide a more flexible menu of interventions.</p>
5. Investment in prevention and early intervention to deliver 500 more health visitors by 2018.	Renfrewshire has been involved in a NHSGGC system wide approach to ensure increased access to training for qualified Health Visitors. In addition, this has addressed workforce planning activity. We are therefore confident of delivering Renfrewshire's quota of 24 additional Health Visitors by 2018.
6. Delivery of agreed service levels for Alcohol and Drugs Partnership (ADP) work.	There is currently a whole system review of alcohol and drug services, subject to this review, service levels will be agreed and aligned to national guidance and priorities.
7. Provision of the living wage to adult care workers and focus on ensuring sustainability of social care provision.	Negotiations have been successfully concluded to bring all providers currently delivering social care services in Renfrewshire in line with the Living Wage from 1 October 2016.
8. Continue implementation of Self Directed Support.	New streamlined and controlled business processes have been introduced to promote equity and to quickly enable frontline staff to deliver the agreed support plan within financial guidance. The new processes have reduced the time required to agree the indicative budget for the service user's support plan from 16 days in 2014 to 4 days in 2016.
9. Preparation for the Carers (Scotland) Act 2016 on 1 April 2018.	<p>Renfrewshire is currently awaiting further guidance from the Scottish Government around the application of the Carers (Scotland) Bill, which introduces a range of new provisions to identify, assess and support carers.</p> <p>Due to be implemented from April 2018, the groundwork is underway to ensure Renfrewshire is fully prepared to implement the actions contained in the Bill within the agreed timeframe. Preparations include a Carers' event on 7 March 2017 and consultation work with Renfrewshire Carers' Centre, adult carers, young carers and young adult carers. The HSCP is also working closely with the Council's Children's Services around Young Carers and Transitions, and, the Strategic Planning Group to allow Carer's representatives the opportunity to discuss their concerns and hopes for the new legislation.</p>

Implications of the Report

1. **Financial** – Financial implications are discussed in full in the report above.
2. **HR & Organisational Development** – none
3. **Community Planning** - none
4. **Legal** – This is in line with Renfrewshire IJB's Integration Scheme
5. **Property/Assets** – none.
6. **Information Technology** – none

7. **Equality & Human Rights** – The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
 8. **Health & Safety** – none
 9. **Procurement** – Implementation of the living wage impact on existing contracts with providers and their ability to deliver within the allocated funding package
 10. **Risk** – There are a number of risks which should be considered on an ongoing basis: a) adequate funding to deliver core services, delivery of additional unallocated savings within the current financial year and the allocation of non-recurring funds by NHSGGC Board to meet this shortfall in 2016/17.
 11. **Privacy Impact** – none.
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List of Background Papers – none

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To: NHS Board Directors of Finance

CC: Chief Officers, Integration Authorities
Chief Finance Officers, Integration Authorities
Chief Executives, Local Authorities
Directors of Finance, Local Authorities

18 January 2017

Dear Colleagues

Following discussion at the recent NHS Directors of Finance meeting and Chief Finance Officer network, this letter provides some further detail in relation to budgets for health and social care for 2017-18.

The allocation letter of 15 December (copy attached) stated that 'NHS contributions to Integration Authorities for delegated health functions **'will be maintained at least at 2016-17 cash levels'**. In simple terms, this means that budgets for allocation from NHS Boards to Integration Authorities for 2017-18 must be at least equal to the recurrent budgeted allocations in 2016-17. The allocation should include the total of the sum set aside for hospital services.

The £107 million funding from health budgets for supporting social care is to be treated as an additional allocation to this minimum budget. The individual shares of the additional £107 million for each partnership are set out in the attached annex.

As stated in the Draft Budget, £100 million of the £107 million is provided for in NHS Boards baseline allocation. The £7 million relating to war pensions and pre-implementation work for the Carers Act, will be allocated separately.

A separate letter (attached) has been sent to Local Authorities, setting out their shares of up to £80 million potential flexibility for Local Authority allocations to Integration Authorities.

Yours sincerely

GEOFF HUGGINS
Director for Health & Social Care Integration

CHRISTINE MCLAUGHLIN
Director of Health Finance

ANNEX A

	GAE/NRAC share	Baseline Share £m	Additional allocation (Veterans/Carers) £m
East Ayrshire	2.46%	2.46	0.17
North Ayrshire	2.92%	2.92	0.21
South Ayrshire	2.31%	2.31	0.16
Ayrshire & Arran	7.70%	7.70	0.54
Borders	2.11%	2.11	0.15
Dumfries & Galloway	3.02%	3.02	0.21
Fife	6.68%	6.68	0.47
Clackmannanshire/Stirling	2.49%	2.49	0.18
Falkirk	2.84%	2.84	0.20
Forth Valley	5.33%	5.33	0.38
East Dunbartonshire	1.72%	1.72	0.12
East Renfrewshire	1.44%	1.44	0.10
Glasgow City	13.24%	13.24	0.93
Inverclyde	1.76%	1.76	0.12
Renfrewshire	3.48%	3.48	0.24
West Dunbartonshire	1.95%	1.95	0.14
GG&C	23.58%	23.58	1.65
Aberdeen City	3.86%	3.86	0.27
Aberdeenshire	3.88%	3.88	0.27
Moray	1.63%	1.63	0.11
Grampian	9.37%	9.37	0.65
Argyll & Bute	1.82%	1.82	0.13
Highland	4.34%	4.34	0.30
Highland	6.16%	6.16	0.43
North Lanarkshire	6.51%	6.51	0.46
South Lanarkshire	6.03%	6.03	0.42
Lanarkshire	12.54%	12.54	0.88
East Lothian	1.76%	1.76	0.12
Edinburgh City	8.15%	8.15	0.57
Midlothian	1.45%	1.45	0.10
West Lothian	2.86%	2.86	0.20
Lothian	14.22%	14.22	0.99
Orkney	0.43%	0.43	0.03
Shetland	0.42%	0.42	0.03
Angus	2.13%	2.13	0.15
Dundee City	3.04%	3.04	0.21
Perth & Kinross	2.62%	2.62	0.18
Tayside	7.79%	7.79	0.54
Western Isles	0.65%	0.65	0.05
Total	100.00%	100.00	7.00

Health and Social Care Integration Directorate
Geoff Huggins, Director

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Chief Executives, Local Authorities

Copied to:
Chief Officers, Integration Authorities
Directors of Finance, Local Authorities
Chief Finance Officers, Integration Authorities
NHS Board Directors of Finance

18 January 2017

Dear Colleagues

Draft Budget 2017-18

As you know, as part of the 2017-18 draft budget additional provision of £107 million will be transferred from NHS Boards to Integration Authorities to support social care.

To reflect this additional support from Health Boards to Integration Authorities, Local Authorities will be able to adjust their allocations to Integration Authorities in 2017-18 by up to their share of £80 million below the level of budget agreed with their Integration Authority for 2016-17 (as adjusted where agreed for any one-off items of expenditure which should not feature in the baseline). This approach provides each Local Authority with flexibility on how best to use their resources, with no presumption on how this flexibility will be exercised locally - the decision will be a matter for local determination based on local needs and requirements.

Annex A provides the share of this £80 million per Local Authority area. Shares have been calculated on the basis of GAE/NRAC, as they also have for shares of the £107 million due from Health Boards to Integration Authorities.

Yours faithfully



GEOFF HUGGINS

Share of up to £80 million available to local authorities to offset their allocations to Integration Authorities.

Local Authority	Composite Shares	Share of up to £80m
Aberdeen City	3.9%	3.09
Aberdeenshire	3.9%	3.10
Angus	2.1%	1.70
Argyll & Bute	1.8%	1.45
Clackmannanshire	1.0%	0.77
Dumfries & Galloway	3.0%	2.42
Dundee City	3.0%	2.44
East Ayrshire	2.5%	1.97
East Dunbartonshire	1.7%	1.37
East Lothian	1.8%	1.41
East Renfrewshire	1.4%	1.15
Edinburgh City	8.1%	6.52
Eilean Siar (Western Isles)	0.7%	0.52
Falkirk	2.8%	2.27
Fife	6.7%	5.34
Glasgow City	13.2%	10.59
Highland	4.3%	3.48
Inverclyde	1.8%	1.41
Midlothian	1.5%	1.16
Moray	1.6%	1.30
North Ayrshire	2.9%	2.34
North Lanarkshire	6.5%	5.21
Orkney Islands	0.4%	0.35
Perth & Kinross	2.6%	2.09
Renfrewshire	3.5%	2.78
Scottish Borders	2.1%	1.69
Shetland Islands	0.4%	0.34
South Ayrshire	2.3%	1.85
South Lanarkshire	6.0%	4.83
Stirling	1.5%	1.23
West Dunbartonshire	1.9%	1.56
West Lothian	2.9%	2.29
Total	100.0%	80.00



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Ms Susan Manion – Chief Officer – East Dunbartonshire
Integration Authority
Ms Julie Murray – Chief Officer – East Renfrewshire
Integration Authority
Mr David Williams – Chief Officer – Glasgow City
Integration Authority
Mr Brian Moore – Chief Officer – Inverclyde Integration
Authority
Mr David Leese – Chief Officer – Renfrewshire Integration
Authority
Mr Keith Redpath – Chief Officer – West Dunbartonshire
Integration Authority

15 December 2016

Draft Budget 2017/18

Dear Colleagues

We are writing to you regarding the Scottish Government's draft budget for 2017/18, as set out by the Cabinet Secretary for Finance and the Constitution in Parliament today. Letters have also been sent today to Local Authorities and the NHS regarding the budget. This letter lays out how these financial arrangements relate to Integration Authorities. Please take account of all three letters to ensure a full understanding of the financial position and its implications for your responsibilities for the coming year.

This letter also sets out our plans to ensure the Ministerial Strategic Group for Health and Community Care, which is chaired by the Cabinet Secretary for Health and Sport, is well-briefed to fulfil its remit to provide joint political oversight between COSLA and the Scottish Government on progress with implementation of integration.

Priorities

Integration Authorities are responsible for planning and provision of social care, primary and community healthcare, and unscheduled hospital care, for, at least, adults. Integration priorities are to:

1. Reduce occupied hospital bed days associated with avoidable admissions and delayed discharges, focussing investment in care alternatives that can help people to continue living independently in their own homes and communities for as long as possible.



2. Increase provision of good quality, appropriate palliative and end of life care, particularly in people's own homes and communities and also, where appropriate, in hospices, so that people who would benefit from such care access it.
3. Enhance primary care provision, with particular focus on developing and expanding multi-disciplinary teams; sustainability of provision; development of GP clusters; and responsiveness to a new GP contract.
4. Reflect delivery of the new Mental Health Strategy, with particular focus on developing new models of care and support for mental health in primary care settings; improving the physical health of people with mental health problems, and improving mental health outcomes for people with physical health conditions; reducing unwarranted variation in access and assuring timely access; and developing services that focus on the mental health and wellbeing of children, young people and families, including improved access to perinatal mental health services.
5. Where children's services are integrated, continue to invest in prevention and early intervention, particularly in the early years, with the expectation that work will continue to deliver 500 more health visitors by 2018.
6. Support delivery of agreed service levels for Alcohol and Drugs Partnerships' work, in support of which £53.8m is transferring to NHS Board baselines for delegation to Integration Authorities.
7. Ensure provision of the living wage to adult care workers workers and plan for sustainability of social care provision.
8. Continue implementation of Self Directed Support.
9. Prepare for commencement of the Carers (Scotland) Act 2016 on 1 April 2018.

Ministerial Strategic Group for Health and Community Care

As you know, the Ministerial Strategic Group for Health and Community Care provides the forum for joint political oversight of progress with integration by Scottish Ministers and COSLA. The Group has recently considered its requirements in terms of understanding progress on integration. We will take forward work involving Scottish Government officials, COSLA, Chief Officers, and colleagues at NHS NSS leading on the Source and LIST data projects, to establish a suite of appropriate metrics for the Group's routine consideration. This will include agreeing data definitions and an appropriate methodology via which Integration Authorities can share their objectives for progress in 17/18 and beyond; we will also ensure the work is tied in with Sir Harry Burns' review of health and social care targets and indicators.

You will see from Christine McLaughlin's letter to Health Boards on the budget that we also intend to give some consideration to the efficacy of current arrangements for delegating appropriate hospital budgets, including set aside budgets, to Integration Authorities. We will report on that to the Ministerial Strategic Group in due course as well.

I trust this letter is helpful to you, and look forward to continuing to work with you as we embed integration across health and social care in Scotland.

Yours faithfully



GEOFF HUGGINS
Scottish Government



PAULA McLEAY
COSLA



Greater Glasgow and Clyde NHS Board

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David Leese
Chief Officer
Renfrewshire Health and Social Care
Partnership
Renfrewshire House
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PA1 1AL

Date: 11th January 2017
Our Ref: RC/BOB

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Direct Line: 0141-201-4614
E-mail: <mailto:robert.calderwood@ggc.scot.nhs.uk>

Dear David

2017/18 Financial Allocation to Health and Social Care Partnerships

Following the publication of the draft Scottish budget on 15th December 2016, I am writing to advise you of the Board's proposed approach to confirming allocations to Health and Social Care Partnerships for 2017/18 and to outline some initial planning assumptions to help you to prepare your financial plans for next year.

You will appreciate that this information remains indicative at this stage and may change as further specific details of the settlement are finalised.

It has been confirmed that the Board will receive a general uplift of 1.5% (£31.1m) which is the general uplift available to fund all cost increases in pay, supplies and GP prescribing budgets. Scottish Government has confirmed that £23.7m of this uplift will pass directly through to HSCPs and some of this may be available to offset cost pressures within NHS budgets. The balance of the uplift will be fully consumed by the increase in the Board's rates costs as a result of the recent revaluation and as a result there will be no uplift available to current service budgets. The Scottish Government letter to me as Accountable Officer for NHS Greater Glasgow and Clyde has stated that for 2017/18 the Board's expenditure on services delegated to HSCPs should be maintained at least at current year levels and therefore 2017/18 allocations to HSCPs will remain at the value of the 2016/17 recurring base supplemented by any specific 2017/18 non recurring allocations from Scottish Government. However, in 2016/17 the Board has provided non recurring relief of £7.8m for unachieved savings from 2015/16 and approximately £8.0m for the in year shortfall against 2016/17 savings plans. The 2015/16 savings were not allocated to specific Partnerships but this will be adjusted in establishing the opening position for 2017/18. The Board will continue to work with HSCPs to identify how this gap can be closed from Partnership funds such as prescribing rebates and discounts.

Family Health Services 'cash limited' budgets receive a separate annual uplift which will be passed on to partnerships in full. We will also pass on in full any specific allocations for Health and Social Care. Family Health Services budgets will continue to be managed centrally in 2017/18.

During 2016/17 it was possible for the Board to provide non recurring relief to HSCPs for the in year shortfall against 2016/17 savings plans. The Board will require all of its non recurring funding sources to achieve breakeven in 2016/17 and as a result will not be in a position to offer any in year relief for 2017/18. HSCPs will therefore be required to cover any in year shortfalls internally from underspends within their integrated budgets or from reserves carried forward from prior years.

As you know HSCPs are now responsible for planning and commissioning unscheduled care services. As you are well aware the service has been under significant pressure due to increases in demand and acuity. The Board expects HSCPs and the Acute Division to determine an appropriate activity level that reduce demand, improve patient flows and ensure more consistent achievement of performance targets including delayed discharge. This should include a financial framework to describe the financial flows arising from increases or reductions in demand and cost.

I hope this enables you to start to develop your financial plans for 2017/18 and we will continue to monitor the overall position and provide you with regular updates as the position becomes clearer in the coming weeks

Yours sincerely

A black rectangular redaction box covering the signature of Robert Calderwood.

Robert Calderwood
Chief Executive
NHS Greater Glasgow and Clyde

Board Position

The estimated overall position for NHSGGC is set out below.

Description	£m
Additional Funding	Board
General Funding Uplift of 1.5%.	31.1
Less Specific HSCP Funding (Share of National £100.0m)	(23.7)
less Rates Revaluation	(11.0)
less Board Contingency	0.0
Additional Funding	(3.6)
Inflation, Pressures & Investments	HSCPs
Salaries inc Discretionary Points & ACT Offset	(4.3)
Supplies exc PPP & Contracts	(0.7)
PPP & Contracts	(0.2)
Drugs Uplift	(6.5)
Resource Transfer	(1.8)
Apprenticeships Levy	(1.8)
Pensions Cost - RRL Cost from AME Provision	(1.3)
Inflation, Pressures & Investments	(16.6)
add Specific HSCP Funding	23.7
Net Uplift / (Reduction)	7.1
Net Uplift / (Reduction)	0.9%
Note	
In addition, HSCPs are expected to deliver £7.8m of 2015/16 recurring savings, If possible, prescribing rebates may contribute to in-year delivery.	

Possible Pay Uplift

Based on 2016/17 pay policy (1% general uplift with £400 for those earning less than £22,000), it is likely that the additional pay cost to HSCPs in 2017/18 will be around 1.2%. In addition, HSCPs will be expected to meet the cost of the new Apprenticeships Levy at 0.5% of pay costs.

Possible GP Prescribing Costs

The Prescribing Management Finance Group met on 8 December 2016 to consider projections for 2017/18. Current indications are that the likely net prescribing uplift for 2017/18 will be circa £6.5m however this may change before prescribing budgets are finalised in June 2017. As indicated earlier the first call on rebates and discounts will be to cover prior year unachieved/unallocated savings.

Possible Price Inflation

The UK's rate of inflation is expected to rise in the coming months. As at November 2016 the RPI was 2.2%.

**Renfrewshire
Health & Social Care Partnership**



Date: 1st February, 2017
 Our Ref: AG/DL
 Your Ref:
 Enquiries: David Leese
 Contact: 0141 618 7649

Robert Calderwood
 Chief Executive
 NHS Greater Glasgow and Clyde
 Gartnavel Royal Hospital
 1055 Great Western Road
 Glasgow G12 0XH

Dear Robert,

Thank you for your letter dated 11 January 2017 outlining the NHS Board's proposed approach to confirming allocations to Health and Social Care Partnerships for 2017/18 and your initial planning assumptions.

As you are aware, Sarah Lavers and I intend to present the Integration Joint Board's 2017/18 integrated budget when it meets on 10 March 2017. In preparation for this meeting, we hope to work closely with the NHS GGC and Renfrewshire Council over the coming weeks to agree the final 2017/18 allocation from both parent organisations. In advance of these discussions, I would be grateful for further information and clarity on several points.

Firstly, in the context of the conditions set out in the Scottish Government letter to you on 15 December 2016 and Geoff Huggins/Christine McLaughlin's letter to NHS Board Directors of Finance on the 18 January 2017, which requires NHS contributions to IJBs to be maintained at least at 2016/17 cash levels. I would be grateful if you could share a more detailed breakdown of the Renfrewshire's proposed 2017/18 budget.

Secondly, you refer in your letter to £7.8m undelivered savings from 2015/16. As this relates to a historic budget position which predates the creation of Integration Joint Boards, and given the proposed budget setting approach set out in the above GH/CM letter, it is my view that this should not be included within the budget for 2017/18.

Thirdly, James Hobson's e-mail of 13 January 2017 included an adjustment for 'Pension Costs'. This appears to relate to the reversal of an accounting adjustment originally made in advance of the creation of Renfrewshire IJB, and for staff who were not involved in services actually delegated and delivered whilst the HSCP has been in existence. I would therefore propose that on this basis this adjustment cannot be included as part of our budget allocation for 2017/18.

From our initial calculations using these assumptions, if NHS GGC includes these proposed accounting adjustments (the £7.8m historic budget pressure and pension costs), this would take Renfrewshire IJB's allocation below the 2016/17 cash levels, and therefore not in line with Scottish Government required approach to budget setting for 2017/18.

Sarah and I look forward to engaging with NHSGG&C in the coming weeks to clarify Renfrewshire's final 2017/18 allocation. I have an IJB Development Session on Friday 3 February 2017 where I am planning to present an outline of our assumed budget position to IJB members and I will be including in that the content of your letter and this response from me to you.

I look forward to hearing from you.

Yours sincerely

David Leese
Chief Officer
Renfrewshire Health and Social Care Partnership

Greater Glasgow and Clyde NHS Board

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Date: 23rd February 2017
Our Ref: RC/LL014

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Chief Officers

Dear Colleagues

2017/18 Financial Allocation to HSCPs

Further to my letter of 11th January 2017, subsequent correspondence and meetings with Chief Officers, and the discussion at the Board meeting on 21 February 2017, I am writing with an updated budget proposal for 2017/18. This includes some updated financial planning assumptions and reflects the agreement we reached on a number of matters at my meeting with Chief Officers on 17th February 2017. Subject to any final clarification this should allow you to prepare your financial plans for next year.

In responses to my letter of 11th January 2017 Chief Officers raised specific points in relation to;

- Unallocated and unachieved historic savings of £7.8m;
- The treatment of the annual charge resulting from the release of the pensions accrual in 2016/17;
- The Board's proposed approach to managing prescribing budgets for 2017/18; and
- Funding of rates pressures.

Each of these areas were discussed at our recent meetings. With the exception of the rates funding, which we agreed, each are outlined below.

You will appreciate that this information remains indicative at this stage and may change as further specific details of funding are finalised and assumptions are refined.

General Uplift/IJB Allocations

It has been confirmed that the Board will receive a general uplift of 1.5% (£31.1m) which is the general uplift available to fund all cost increases in pay, supplies and GP prescribing budgets. Scottish Government has confirmed that £23.7m of this uplift will pass directly through to HSCPs. The balance of the uplift is likely to be fully consumed by the proposed increase in the Board's rates costs as a result of the recent revaluation and as a result there will be no uplift available to current service budgets whether in HSCPs or the Board's Acute and Corporate Directorates.

The Scottish Government letter to me as Accountable Officer for NHS Greater Glasgow and Clyde has stated that for 2017/18 the Board's expenditure on services delegated to HSCPs should be maintained at least at current year levels and therefore 2017/18 allocations to HSCPs will remain at the value of the 2016/17 recurring base budget supplemented by any specific 2017/18 non recurring allocations from Scottish Government.

GP Prescribing

Included in the budgets that roll forward to 2017/18 is a budget allocation for GP prescribing which contains £3.6m of non recurring support from the Board to supplement the prescribing budgets set for HSCPs in 2016/17. This will be removed at the year end and replaced by a recurring allocation to bring each HSCP's budget into balance so the HSCP's starting allocations for 2017/18 for prescribing will exactly equal the cash expenditure in 2016/17. However the value of this adjustment cannot be confirmed until the final out-turn for the current year is known in May 2017.

At my meeting with Chief Officers on 17th February 2017 we discussed how prescribing budgets should be managed now that HSCPs have become established. It was agreed that the current arrangements would continue in 2017/18 where the Board continues to manage the budget collectively on behalf of all partnerships. However, the Board has no requirement or capacity to provide funding to uplift the budget for net growth. This is currently estimated at £8.5m for 2017/18 but may change and as the Board cannot reduce the budget allocation to HSCPs to recover this cost each HSCP will require to generate savings plans to meet its share of the required budget uplift. The Board's Prescribing Management Group will continue to provide advice to HSCPs to assist them to set the budget at an appropriate level for 2017/18.

Family Health Services

Family Health Services "cash limited" budgets receive a separate annual uplift which will be passed on to partnerships in full. We will also pass on in full any specific allocations for Health and Social Care. Family Health Services budgets will continue to be managed centrally in 2017/18.

Annual Pension Cost Adjustment and Historical Savings

The annual pension cost adjustment will be recharged to service areas because the one off benefit from reversing the original provision has been used in 2016/17 as a source of funds to enable the Board and HSCPs to reach a balanced position and the Board therefore considers it is reasonable to recover it from those areas that have benefited. Chief Officers have subsequently accepted this adjustment.

During 2016/17 it was possible for the Board to provide non recurring relief to HSCPs for the in year shortfall against 2016/17 savings plans. The Board will require all of its non recurring funding sources to achieve breakeven in 2016/17 and as a result will not be in a position to offer any in year relief for 2017/18. HSCPs will therefore be required to cover any in year shortfalls internally from underspends within their integrated budgets or from HSCP reserves carried forward from prior years.

In 2016/17 the Board has also provided non recurring relief of £7.8m for unachieved savings from 2015/16. The treatment of how this shortfall should be allocated has been discussed with Chief Officers and was debated by the Board at its meeting on 21st February 2017. The Board has mandated the Chief Executive to deduct a proportional amount of £3.6m from HSCP allocations and you will be advised of the relevant amounts for each HSCP by the Director of Finance. The Board will confirm with Scottish Government that it is appropriate to make this adjustment and should that be confirmed we will work with you to identify how it can be managed in a way that does not put further pressure on service budgets.

Unscheduled Care

As you know HSCPs are now responsible for planning and commissioning unscheduled care services. As you are well aware the service has been under significant pressure due to increases in demand and acuity. The Board expects HSCPs and the Acute Division to determine an appropriate activity level that reduce demand, improve patient flows and ensure more consistent achievement of performance targets including delayed discharge. This should include a financial framework to describe the financial flows arising from increases or reductions in demand and costs.

I hope this enables you to further develop your financial plans for 2017/18 and we will continue to monitor the overall position and provide you with regular updates as the position becomes clearer in the coming weeks.

Yours sincerely

A black rectangular box redacting the signature of Robert Calderwood.

Robert Calderwood
Chief Executive
NHS Greater Glasgow and Clyde

Board Position

The estimated overall position for NHSGGC is set out below.

Description	£m
Additional Funding	Board
General Funding Uplift of 1.5%.	31.1
Less Specific HSCP Funding (Share of National £100.0m)	(23.7)
less Rates Revaluation	(11.0)
less Board Contingency	0.0
Uplift from Other Boards	2.4
Additional Funding	(1.2)
Inflation, Pressures & Investments	HSCPs
Salaries inc Discretionary Points & ACT Offset	(4.3)
Supplies exc PPP & Contracts	(0.7)
PPP & Contracts	(0.2)
Drugs Uplift	(8.5)
Resource Transfer	(1.8)
Apprenticeships Levy	(1.8)
Share of Unachieved CH(C)P Savings b/f from 2015/16	(3.5)
Pensions Cost - RRL Cost from AME Provision	(1.3)
Inflation, Pressures & Investments	(22.1)
add Specific HSCP Funding	23.7
Net Uplift / (Reduction)	1.6
Net Uplift / (Reduction)	0.2%
Note	
HSCPs are expected to deliver £3.6m of recurring savings to contribute towards £7.8m of 2015/16 CH(C)P unachieved recurring savings.	

Possible Pay Uplift

Based on 2016/17 pay policy (1% general uplift with £400 for those earning less than £22,000), it is likely that the additional pay cost to HSCPs in 2017/18 will be around 1.2%. In addition, HSCPs will be expected to meet the cost of the new Apprenticeships Levy at 0.5% of pay costs.

Possible GP Prescribing Costs

The Prescribing Management Finance Group met on 8 December 2016 to consider projections for 2017/18. Current indications are that the likely net prescribing uplift for 2017/18 will be circa £8.5m however this may change before prescribing budgets are finalised in June 2017. As indicated earlier the first call on rebates and discounts will be to cover prior year unachieved/unallocated savings.

Possible Price Inflation

The UK's rate of inflation is expected to rise in the coming months. As at November 2016 the RPI was 2.2%.

Appendix 7

Health Allocation 2017/18 (indicative figs)

	figs on which assumptions are based	Estimated level of inflation / charge	Original Assumed allocation Per NHSGGC 11 January 2017
	£'s	£'s	£'s
2017/18 Opening Budget (recurring monies only)	152,976,499		152,976,499
Add: Current Identified Pressures (estimated)			
2017/18 Pay Award	43,276,338	1.21%	569,200
Inflationary impact on supplies etc	9,230,991	1%	80,800
Purchase of Healthcare	79,423	1%	3,200
Resource Transfer	16,872,248	1.7%	286,828
Apprenticeship Levy (applied to gross salaries once uplifted for inflation)	43,799,982	0.5%	219,200
Prescribing Uplift (original increase was 2.6% now revised to 3.4%)	35,259,792	3.4%	917,200
Pensions Costs (strain on fund prior to IJB's)			181,200
Unachieved savings (prior to IJB's)			1,132,400
Unachieved savings (relating to 2016/17 budget allocation)			1,378,000
			4,768,028

Health Budget Influenceable Spend

<u>Health Budgets against which savings can be applied (recurring budgets only) @ Month 9</u>		
	£'s	
Employee Costs	43,244,339	27.6%
Property Costs	19,837	0.0%
Supplies and Services	18,004,999	11.5%
Purchase of Healthcare	44,423	0.0%
Resource Transfer	16,872,248	10.8%
Prescribing	35,259,792	22.5%
Family Health Services	44,817,501	28.6%
Savings	(1,378,200)	-0.9%
Gross Expenditure Budget	156,884,939	100.0%
Income	(3,908,439)	
TOTAL BUDGET	152,976,500	
less: budgets against which savings cannot be applied by partnerships:		
Resource Transfer	(16,872,248)	
Prescribing	(35,259,792)	
Family Health Services	(44,817,501)	
Share of Hosted Services	(3,689,381)	
Social Care Fund	(8,774,000)	
Savings	1,378,200	
	(108,034,722)	
= relevant / directly managed budget against which savings can be applied	48,850,217	
% of budget against which savings can be applied		32%

